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S E C R E T SECTION 01 OF 03 ADDIS ABABA 000258

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TAGS: PREL PGOV KDEM ECON ET

SUBJECT: ACTING A/S CARTER RAISES THE ISSUE OF POLITICAL SPACE

Classified By: Ambassador Donald Yamamoto for reasons 1.4 (b) and (d).

SUMMARY

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**¶1.** (S) In a January 30 lunch with ruling party officials, Acting Assistant Secretary for African Affairs Phil Carter dramatically expanded U.S.-Ethiopian bilateral dialogue in highlighting clearly the United States' view that Ethiopia's political space has been shrinking since 2005 and pressing for an immediate reversal to return Ethiopia to its pre-2005 path toward democratic openings. Clearly wedded to an ideology of progress dominated by the state, Communications and National Security Advisors to the Prime Minister, Bereket Simon and Abay Tsehay respectively, detailed the ruling Ethiopian People's Revolutionary Democratic Front's (EPRDF) perception of the current state of Ethiopia's economic and political climate and the party's view of the ten year trajectory for each. Carter emphasized that the United States continues to value the bilateral relationship, but made clear that the current political atmosphere of intolerance of dissent and intimidation of the opposition is a stumbling block to constructive bilateral engagement to support our common objectives of promoting Ethiopia's development and stability.

**¶2.** (SBU) Immediately following a discussion on internal dynamics with leaders of political opposition groups (septel) Acting AF A/S Phil Carter discussed domestic dynamics with ruling party officials. EPRDF representatives included Communications Advisor to the Prime Minister Bereket Simon, National Security Advisor to the Prime Minister Abay Tsehay, Basin Affairs Advisor to the Prime Minister Shiferaw Jarso, EPRDF Head of Office Muktar Kedir, and EPRDF Foreign Affairs Head Sekutire Getachew. Ambassador Yamamoto, DCM Deborah Malac, and Political Officers Michael Gonzales, Dante Paradiso, and Ted Harkema attended. End Summary.

THE EPRDF'S VIEW OF ETHIOPIA

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**¶3.** (C) Acting A/S Carter opened the discussion inquiring as to how the ruling party views Ethiopia today and where it seeks to lead the country over the medium term. Bereket opened by noting the EPRDF's desire to make Ethiopia a middle-income country within the next twenty years. He argued that Ethiopia has been doing well for the past five years -- growing by over 11 percent annually -- and that this trajectory, driven by rural development-based growth, can be sustained. Strong rural growth has been paired with "strategies that work" in building capacity, supporting small and medium-sized enterprises, and the youth in urban centers to promote a market economy. While progress in the education

and health care sectors are thriving, Bereket acknowledged slower progress in democracy and governance. While a very good constitution and an effective ethnic federalist system put Ethiopia on "the right track," he argued that progress toward multi-party democracy remained on-going. Bereket argued that while the 2005 election was very competitive, the opposition refused to accept the results and attempted to topple the government by force. In the face of this, the Ethiopian Government (GoE) has tried to build institutions and improve parliamentary process. Bereket argued that while Ethiopia is not perfect on human rights, it is on the right track broadly with strong rights enshrined in the constitution, but events require the GoE to "intervene." Bereket asserted that the opposition remains wedded to a violent approach to topple the GoE through extra-constitutional means and stressed that everyone in Ethiopia must accept the constitution and rule of law by acting appropriately. Since 2005, the GoE has actively created political space for those groups acting lawfully, but did not allow political space for those acting undemocratically or unlawfully.

¶4. (C) Abay Tsehay argued that the EPRDF sees development and democracy as the only option for Ethiopia and that the EPRDF's approach as a "developmental government" is to rectify the challenges of weak institutions and pervasive market failures. Abay argued that an import-substitution approach to development didn't work in Latin America and cannot be an option for Ethiopia. Because of market failures, particularly in the areas of telecommunications, financial services, agricultural technology, and

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infrastructure, the GoE must fill the void until Ethiopia's "pre-capitalist" economy matures to become conducive for a more active private sector role. Focused on the GoE budget rather than broader economic flows, Abay rejected the suggestion that Ethiopia's economic growth is heavily dependent on foreign transfers.

#### LAYING DOWN THE LINE ON POLITICAL SPACE

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¶5. (C) Seeking to allay EPRDF anxiety over the new Administration's views, Carter emphasized early that the USG values the U.S.-Ethiopia bilateral relationship and Ethiopia's leadership role in the region. Carter confirmed that our general objectives of supporting development, democratization, security, and stability in Ethiopia and the regional remain unchanged. He clarified, though, that our bilateral relations are not defined by security, but also economic and political development and the USG view of "security" includes more than just security forces but also an environment that is not conducive to extremism, allows the population to seize opportunities, and in which the government is responsive to the needs of the people.

¶6. (S) Immediately employing the referenced change in emphasis in dialogue, Carter pressed the assembled ruling party officials to begin direct dialogue with the opposition. Assessing that Ethiopia stands at a juncture between growing authoritarianism and constructively addressing real issues facing the country, Carter argued that the USG is not sure that Ethiopia can survive another sustained crisis like that following the 2005 national elections. As such, Carter clearly advised the EPRDF officials that the USG views Ethiopia's political space as shrinking. Specifically, he argued that inter-party dialogue with the opposition must happen now. On the recently passed Charities and Societies Proclamation (CSO Law), Carter noted that the USG was not pleased with the law as it may affect our ability to support development activities in Ethiopia and because, despite hearing clear and unified opposition to the bill from donors and development partners the GoE failed to make changes for a more conducive law. Carter emphasized that the GoE's approach of managing how it implements a very restrictive law

is inferior to an approach of reviewing its implications in the design phase to produce a better piece of legislation. "If you follow the provisions of the CSO law, or implement it in an ad hoc manner," Carter said, "we'll have problems."

¶7. (S) Carter also stressed that the detention and December 29 pardon revocation of opposition leader Birtukan Midekssa is a "growing obstacle" that if not handled quickly, transparently, and resulting in her release would be a major problem. Carter emphasized that Birtukan's case is a symbol of our concerns about the broader Ethiopian political climate, which must be addressed. Rather than striving to engage with all stakeholders to productively prevent emerging problems, Ethiopia appears to the USG and the international community to be engaged in systematically imposing restrictions to control all that it doesn't like.

#### THE EPRDF'S REACTION

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¶8. (C) While clearly surprised by such frank engagement by a Washington principal on Ethiopia's domestic affairs, Bereket took liberties in reviewing the historical record to defend GoE actions since 2005. Emphatic that the EPRDF had, in fact, opened Ethiopia's political space, Bereket reported that the GoE had accepted all opposition nominees to fill the National Electoral Board (NEB) in 2007, of whom the Prime Minister had approved three, with that the opposition supporting the remaining six. Bereket argued that despite the creation of "opposition day" in parliament each month the opposition has not taken up the opportunity to raise questions of GoE officials. Bereket argued that despite the April 2008 local elections being well administered, the opposition pulled out. Lamenting how the international community does not consider the GoE's positive steps, Bereket argued that the EPRDF actively negotiated with the opposition in developing the rules of parliamentary procedure, electoral law, political parties registration law, and press law.

¶9. (C) Bereket stated that the EPRDF will engage with the opposition, but only under the auspices of the NEB and only

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if the opposition accepts and agrees to operate under the constitution. Abay argued that Birtukan's actions and aggressive statements sought to set a precedent for other opposition members to challenge the government and promote extra-constitutional violence, so the GoE had to respond to exert control to prevent a repeat of the 2005 political violence.

#### A CLOSING MESSAGE

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¶10. (S) Carter concluded the lunch by emphasizing that the detention of Birtukan "won't go away and needs to be resolved." He stressed that Ethiopia's political climate is a problem. Carter also emphasized that the record this very week of opposition supporters being detained and interrogated after meeting with Embassy officers in the field is not reflective of a conducive democratic environment. He urged the GoE to invite Human Rights Watch to Ethiopia to engage in dialogue and conduct a credible assessment. Carter encouraged the EPRDF not to view the discussion as negative criticism, but made clear that Ethiopia has an image problem. He urged those across the table to resolve the problems of the CSO law, the press law, Birtukan's detention, and to engage in dialogue with the opposition so that we can focus our bilateral engagement on the meaty issues of interest to promote Ethiopian development, stability, and democratization.

YAMAMOTO